

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT

OF

CITY OF COLUMBUS
BARTHOLOMEW COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
09/28/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Brenda Sullivan Luann Welmer	01-01-08 to 12-31-11 01-01-12 to 12-31-15
Mayor	Fred L. Armstrong Kristen Brown	01-01-08 to 12-31-11 01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Fred L. Armstrong Kristen Brown	01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the Common Council	Jesse Brand James Lienhoop	01-01-11 to 12-31-11 01-01-12 to 12-31-12
Utilities Business Manager	Dale Langferman	01-01-11 to 12-31-12
Superintendent of Utilities	Keith Reeves	01-01-11 to 12-31-12



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

We have audited the accompanying financial statement of the City of Columbus (City), for the year ended December 31, 2011. This financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated August 8, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to

INDEPENDENT AUDITOR'S REPORT
(Continued)

the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

The City's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 8, 2012



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CITY OF COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

We have audited the financial statement of the City of Columbus (City), for the year ended December 31, 2011, and have issued our report thereon dated August 8, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1 to be material weaknesses.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The City's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and Corrective Action Plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 8, 2012

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF COLUMBUS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General Fund	\$ 5,931,008	\$ 30,892,691	\$ 28,002,519	\$ 8,821,180
Motor Vehicle Highways	694,277	1,345,236	1,365,763	673,750
Local Road & Street Fund	624,377	395,520	799,500	220,397
Thoroughfare	1,678,843	1,766,261	1,592,620	1,852,484
P&R Non-Reverting	876,225	1,754,162	2,292,122	338,265
Park & Recreation General	1,755,882	4,405,668	3,788,759	2,372,791
Rainy Day Fund 448	2,932,128	310,767	1,000,000	2,242,895
CPD Assets Forfeiture Fund	61,601	44,108	30,361	75,348
Levy Excess Fund	76,142	-	76,142	-
Cumulative Cap. Improve.	279,351	112,168	283,654	107,865
Cumulative Cap. Dev.	251,977	912,194	646,020	518,151
Cumulative Fire Fund	997,403	-	375,501	621,902
Storm Sewer Non-Reverting	157,521	100,000	55,797	201,724
Medic Non-Reverting	96,476	22,924	-	119,400
City Hall Non-Reverting	80,388	9,548	77,789	12,147
CEDIT Fund	546,190	2,122,084	2,369,093	299,181
Insurance Non-Reverting	4,324,662	7,632,234	7,373,475	4,583,421
Police Pension Fund	1,927,918	995,369	1,093,278	1,830,009
Fire Pension Fund	1,621,145	1,597,211	1,905,000	1,313,356
Riverboat Fund	252,864	246,117	136,057	362,924
AFLAC Pre-Tax Premium	-	11,764	11,764	-
MRC-Transit Grant	-	233,226	233,226	-
MRC-EDI Grant	-	302,666	302,666	-
AFLAC After Tax Premium	-	2,816	2,816	-
Fire Dept.Exhaust Grant	-	88,834	88,834	-
Fire Dept. Grants	220	-	-	220
FEMA Buyout	52,121	231,470	314,676	(31,085)
NYS Child Support 126641747	-	171	171	-
City Hall Grant-Escrow	9,887	-	9,887	-
Commons Capital N/R	-	1,046,916	117,083	929,833
Nusun Project	-	896,349	759,597	136,752
NSP1 Revenue Rent & Sale	-	182,154	328,983	(146,829)
Parks Cap. Improve. N/R	55,916	35,988	-	91,904
Mccullough Run/Fed P&R	1,643	-	1,100	543
Donations Fund	127,035	1,178,347	1,089,269	216,113
CPD Grants Fund	6,783	6,300	5,213	7,870
Police Continuing Ed Fun	112,147	43,833	50,112	105,868
Col Downtown&Airport Ctp	-	2,294,254	-	2,294,254
SRF Loan/Outdoor Cleanup	-	31,000	31,000	-
Columbus Redevelopment	2,717	13,106	11,035	4,788
Columbus Technology Fund	600,081	371,456	436,073	535,464
NSP1 Northbrook & Linc Ctrl	(111,649)	471,156	356,011	3,496
2008 Debt Fund	77,966	-	77,966	-
Woodside Nw Fund 250	31,952	-	31,952	-
TIF Money	985,032	3,759,441	3,360,521	1,383,952
New Commons	1,175,938	2,300,875	3,476,745	68
Jackson St.Bond Premium	634,507	700,288	633,048	701,747
Outdoor Sports Ctr Bond	7,320,175	-	22,500	7,297,675
Redevelopment Bond'08	425	-	-	425
Outdoor Bond Reserve Fund	820,076	2,560	-	822,636
Sinking Outdoor Fund Pymt	-	723,658	198,508	525,150
Debt'08 Bank Int. Earned	168,528	1,125	169,653	-
Woodside Bond Pymts.(TIF)	81,072	133,000	80,825	133,247
Redev Bond'08 Capital/Tax	74,691	102,536	92,500	84,727
Commons Building Fund 264	351,548	-	351,548	-
Commons '09 Bond Pymts	650,581	354,335	723,112	281,804
Millrace Ctr/Transit Bldg	1,251,716	1,682,576	2,661,773	272,519
Brokers National Life	-	59,349	59,349	-
American United Life Ins	-	89,494	89,494	-
Flex Fund	22,586	313,101	320,000	15,687
Council Non-Reverting	69,699	-	69,699	-
Human Rights Nonreverting	6,287	10,178	5,682	10,783

The notes to the financial statement are an integral part of this statement.

CITY OF COLUMBUS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
USDA/RBEG Flood Relief	-	40,000	40,000	-
Escrow Acct/Dunlap & Co.	636,609	4,990	500,000	141,599
Housing/Com Dev	102,403	-	15,580	86,823
Com.Dev Special Projects	342	-	240	102
Adjustment Acct. Com Dev	-	50,000	50,000	-
Com.Dev. Special Programs	33,000	354	15,537	17,817
LLEBG Crime Prevention	9	-	-	9
Police Alarms Systems	79,981	4,938	-	84,919
CDBG Entitle/House RLF NR	(9,351)	478,099	463,640	5,108
CDBG Local Match	-	10,432	6,162	4,270
Com. Dev. Ethnic Expo	43,055	50,261	61,519	31,797
Banner Fund 287	875	625	1,500	-
Com Dev Garden Plots	4,205	-	2,077	2,128
Maint Eastside Comm Ctr	418	-	-	418
Com Dev Mayor'S Breakfast	1,739	-	1,696	43
Mayor's 2010 Cheer Fund	2,902	686	3,588	-
Adopt A Brick	3,508	650	879	3,279
Dorel/Cherry St. Sidewalk	1,771	1,629	3,400	-
Cummins Garage Reserve Fd	-	939,636	-	939,636
Parks Bond Of 2005	-	326,514	326,514	-
Transit Non-Reverting	25,000	-	-	25,000
Com. Dev. Streetscape	168,771	-	114,921	53,850
Engineering Special Proj.	72,061	-	-	72,061
Fire Alarms Systems	7,726	44	2,809	4,961
Safe Routes /School Plans	-	45,348	45,348	-
Lawrence State&Local Tax	31	83	114	-
Payroll Fund	-	833,026	833,026	-
Pension-Net Payroll	-	1,756	1,756	-
Federal Tax Withholdings	-	2,063,401	2,063,401	-
FICA Withholdings	-	1,056,975	1,056,975	-
Medicare Withholdings	-	507,201	507,201	-
Barth. State&Local Tax	85,140	850,811	848,118	87,833
Johnson State&Local Tax	85	1,413	1,390	108
Decatur State&Local Tax	82	1,041	1,035	88
Jennings State&Local Tax	-	214	190	24
Brown State&Local Tax	197	2,997	2,922	272
Marion State&Local Tax	57	470	527	-
Jackson State&Local Tax	159	2,311	2,280	190
Vanderburgh St.&Local Tax	3	217	200	20
457 Catch Up	-	15,000	15,000	-
457 Deferred Comp.	-	518,197	518,197	-
IU Bank Direct Deposit	-	13,406,661	13,406,661	-
Garnishment Fee	-	199	199	-
LTD	-	18,778	18,778	-
United Way Of Bartholomew	-	5,071	5,071	-
PFIA	-	34,977	34,977	-
Barth.Co Clerk-21	-	211	211	-
Voluntary Perf	566	2,143	2,214	495
Fire PERF	34,264	131,985	135,597	30,652
Utilities Reimbursement	-	1,002	1,002	-
Escrow Almet Inc.	40,544	1,443	41,987	-
Police PERF	27,594	109,024	111,355	25,263
Escrow Chance Bros.	-	13,731	13,731	-
Escrow Gibraltar Const	122,472	171	122,643	-
Escrow Hrc Roofing&Sheet	41,476	22,924	64,400	-
Escrow Hoosier Glass Co	17,481	7,461	24,942	-
Escrow Milestone Const	72,647	38,125	55,189	55,583
Escrow Miller-Eads Co.	59,279	34,194	93,473	-
Escrow Nading Mechanical	52,533	11,838	31,113	33,258
Barth Co. Treas	-	550	550	-
Barth.Co.Clerk#34	-	1,300	1,300	-
Kosciusko Co.	-	1,320	1,320	-

The notes to the financial statement are an integral part of this statement.

CITY OF COLUMBUS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
DIV F&C#35	-	81	81	-
DIV OF F&C-32	-	4,400	4,400	-
DIV OF F&C-31	-	3,120	3,120	-
DIV OF F & C 803	-	4,368	4,368	-
Barth.Co.Clerk-53	-	5,302	5,302	-
Barth.Clk-44	-	1,050	1,050	-
Barth. Co. Clerk-46	-	200	200	-
Brown Co. Circuit Court	-	2,700	2,700	-
Div of Family/Children	-	3,168	3,168	-
Div of Family/Children 2	-	48,498	48,498	-
Div of Family/Children 3	-	7,436	7,436	-
Div of Family/Children	-	1,320	1,320	-
Bartholomew Co. Clerk-#54	-	2,127	2,127	-
Div Of Family/Children 9	-	15,600	15,600	-
Div Of Family/Children10	-	6,396	6,396	-
N.Carolina Child Support	-	2,400	2,400	-
Division of F&C#11	-	7,384	7,384	-
Floyd Co Tax	57	726	725	58
US Treasury	-	630	630	-
Bartholomew Co. Clerk-29	-	1,950	1,950	-
Allied Collection Service	-	650	650	-
Bartholomew Co.Clerk-55	-	199	199	-
Barth Co.Clk-50	-	2,260	2,260	-
Barth.Co.Clerk#51	-	1,050	1,050	-
Uniforms-Garage	-	2,184	2,184	-
Uniforms-Parks	-	2,276	2,276	-
Union Dues	-	22,874	22,874	-
Johnson Circuit	-	772	772	-
NYS Child Support	-	72	72	-
Barth.Co.Clerk-16	-	5,453	5,453	-
Barth Co Clerk-49	-	360	360	-
Division of F&C#16	-	4,841	4,841	-
Pension-Direct Deposit	-	2,199,721	2,199,721	-
Pension-Federal & F/M WH	-	283,643	283,643	-
Pension-State & Local	-	84,416	84,416	-
Ind State Central Collect	-	385	385	-
FOP Over20Yrs\$13.25-26.50	-	320	320	-
FOP Reg.Dues\$17.50-\$35.00	-	2,900	2,900	-
Division of F&C#30	-	480	480	-
Barth Co Clk-42	-	525	525	-
Wastewater Operating	5,647,073	13,231,618	14,889,661	3,989,030
Wastewater Deposits	148,677	58,504	43,758	163,423
Wastewater Bond & Interest	3,944,795	5,983,022	5,931,524	3,996,293
Wasterwater Depreciation	6,133,099	2,255,992	449,887	7,939,204
Bond Construction	13,133,938	120,616	9,681,470	3,573,084
Bond Reserve	1,757,229	802,723	7,213	2,552,739
Water Operating	2,577,162	5,286,480	5,866,094	1,997,548
Water Deposits	92,628	38,436	31,445	99,619
Water Bond & Interest	604,700	744,346	727,921	621,125
Water Depreciation	1,040,216	1,389,003	954,996	1,474,223
Aviation General Operating	1,739,208	1,396,347	984,344	2,151,211
FAA Grant Fund	62,116	311,742	266,599	107,259
SIHO Medical Claims	114,046	6,518,649	6,519,288	113,407
SIHO Flex Plan	3,733	320,201	308,425	15,509
Totals	<u>\$ 78,474,369</u>	<u>\$ 135,182,927</u>	<u>\$ 140,909,157</u>	<u>\$ 72,748,139</u>

The notes to the financial statement are an integral part of this statement.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement any replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

CITY OF COLUMBUS
 NOTES TO FINANCIAL STATEMENT
 (Continued)

D. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
 1 North Capital Street, Suite 001
 Indianapolis, IN 46204
 Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

The Columbus City Utilities contributes to a pension plan unique to the City. Information regarding this plan may be obtained from Columbus City Utilities.

Note 7. Restatement

For the year ended December 31, 2011, certain changes have been made to the financial statement to more appropriately reflect financial activity of the City. Prior period adjustments represent an account that should not have been included in the prior year on the City's financial statement:

Balance as Reported December 31, 2010	Prior Period Adjustment	Balance as Restated January 1, 2011
\$ 78,477,251	\$ 2,882	\$ 78,474,369

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the City. It is presented as intended by the City.

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General Fund	Motor Vehicle Highways	Local Road & Street Fund	Thoroughfare	P&R Non-Reverting	Park & Recreation General	Rainy Day Fund 448
Cash and investments - beginning	\$ 5,931,008	\$ 694,277	\$ 624,377	\$ 1,678,843	\$ 876,225	\$ 1,755,882	\$ 2,932,128
Receipts:							
Taxes	18,757,900	220,003	-	1,234,782	-	3,974,671	-
Licenses and permits	183,681	-	-	-	-	-	-
Intergovernmental	8,927,529	1,090,180	395,520	83,418	-	267,687	-
Charges for services	1,959,256	30,098	-	-	1,754,162	147,435	-
Fines and forfeits	59,591	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,004,734	4,955	-	448,061	-	15,875	310,767
Total receipts	<u>30,892,691</u>	<u>1,345,236</u>	<u>395,520</u>	<u>1,766,261</u>	<u>1,754,162</u>	<u>4,405,668</u>	<u>310,767</u>
Disbursements:							
Personal services	16,508,061	1,046,511	-	-	661,724	2,377,770	-
Supplies	1,535,609	178,474	-	-	256,576	388,093	-
Other services and charges	7,854,958	137,778	799,500	1,592,620	1,373,465	961,953	1,000,000
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	1,539,440	3,000	-	-	-	60,678	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	564,451	-	-	-	357	265	-
Total disbursements	<u>28,002,519</u>	<u>1,365,763</u>	<u>799,500</u>	<u>1,592,620</u>	<u>2,292,122</u>	<u>3,788,759</u>	<u>1,000,000</u>
Excess (deficiency) of receipts over disbursements	<u>2,890,172</u>	<u>(20,527)</u>	<u>(403,980)</u>	<u>173,641</u>	<u>(537,960)</u>	<u>616,909</u>	<u>(689,233)</u>
Cash and investments - ending	<u>\$ 8,821,180</u>	<u>\$ 673,750</u>	<u>\$ 220,397</u>	<u>\$ 1,852,484</u>	<u>\$ 338,265</u>	<u>\$ 2,372,791</u>	<u>\$ 2,242,895</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	CPD Assets Forfeiture Fund	Levy Excess Fund	Cumulative Cap. Improve.	Cumulative Cap. Dev.	Cumulative Fire Fund	Storm Sewer Non-Reverting	Medic Non-Reverting
Cash and investments - beginning	\$ 61,601	\$ 76,142	\$ 279,351	\$ 251,977	\$ 997,403	\$ 157,521	\$ 96,476
Receipts:							
Taxes	-	-	-	854,469	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	112,168	57,725	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	44,108	-	-	-	-	100,000	22,924
Total receipts	<u>44,108</u>	<u>-</u>	<u>112,168</u>	<u>912,194</u>	<u>-</u>	<u>100,000</u>	<u>22,924</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	30,361	-	283,654	-	-	55,797	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	646,020	375,501	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	76,142	-	-	-	-	-
Total disbursements	<u>30,361</u>	<u>76,142</u>	<u>283,654</u>	<u>646,020</u>	<u>375,501</u>	<u>55,797</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>13,747</u>	<u>(76,142)</u>	<u>(171,486)</u>	<u>266,174</u>	<u>(375,501)</u>	<u>44,203</u>	<u>22,924</u>
Cash and investments - ending	<u>\$ 75,348</u>	<u>\$ -</u>	<u>\$ 107,865</u>	<u>\$ 518,151</u>	<u>\$ 621,902</u>	<u>\$ 201,724</u>	<u>\$ 119,400</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	City Hall Non-Reverting	CEDIT Fund	Insurance Non-Reverting	Police Pension Fund	Fire Pension Fund	Riverboat Fund	AFLAC Pre-Tax Premium
Cash and investments - beginning	\$ 80,388	\$ 546,190	\$ 4,324,662	\$ 1,927,918	\$ 1,621,145	\$ 252,864	\$ -
Receipts:							
Taxes	-	-	-	9,225	9,225	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	2,117,883	-	1,098	1,098	244,432	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	9,548	4,201	7,632,234	985,046	1,586,888	1,685	11,764
Total receipts	<u>9,548</u>	<u>2,122,084</u>	<u>7,632,234</u>	<u>995,369</u>	<u>1,597,211</u>	<u>246,117</u>	<u>11,764</u>
Disbursements:							
Personal services	-	-	-	2,400	2,400	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	7,373,475	1,090,878	1,902,600	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	77,789	2,369,093	-	-	-	136,057	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	11,764
Total disbursements	<u>77,789</u>	<u>2,369,093</u>	<u>7,373,475</u>	<u>1,093,278</u>	<u>1,905,000</u>	<u>136,057</u>	<u>11,764</u>
Excess (deficiency) of receipts over disbursements	<u>(68,241)</u>	<u>(247,009)</u>	<u>258,759</u>	<u>(97,909)</u>	<u>(307,789)</u>	<u>110,060</u>	<u>-</u>
Cash and investments - ending	<u>\$ 12,147</u>	<u>\$ 299,181</u>	<u>\$ 4,583,421</u>	<u>\$ 1,830,009</u>	<u>\$ 1,313,356</u>	<u>\$ 362,924</u>	<u>\$ -</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	MRC-Transit Grant	MRC-EDI Grant	AFLAC After Tax Premium	Fire Dept.Exhaust Grant	Fire Dept. Grants	FEMA Buyout	NYS Child Support 126641747
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 220	\$ 52,121	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	233,226	302,666	2,816	88,834	-	231,470	171
Total receipts	233,226	302,666	2,816	88,834	-	231,470	171
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	233,226	302,666	-	88,834	-	314,676	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	2,816	-	-	-	171
Total disbursements	233,226	302,666	2,816	88,834	-	314,676	171
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(83,206)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 220	\$ (31,085)	\$ -

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	City Hall Grant-Escrow	Commons Capital N/R	Nusun Project	NSP1 Revenue Rent & Sale	Parks Cap. Improve. N/R	Mccullough Run/Fed P&R	Donations Fund
Cash and investments - beginning	\$ 9,887	\$ -	\$ -	\$ -	\$ 55,916	\$ 1,643	\$ 127,035
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	1,123,500
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	1,046,916	896,349	182,154	35,988	-	54,847
Total receipts	-	1,046,916	896,349	182,154	35,988	-	1,178,347
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	9,887	117,083	-	-	-	-	13,000
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	759,597	328,983	-	1,100	1,076,269
Total disbursements	9,887	117,083	759,597	328,983	-	1,100	1,089,269
Excess (deficiency) of receipts over disbursements	(9,887)	929,833	136,752	(146,829)	35,988	(1,100)	89,078
Cash and investments - ending	\$ -	\$ 929,833	\$ 136,752	\$ (146,829)	\$ 91,904	\$ 543	\$ 216,113

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	CPD Grants Fund	Police Continuing Ed Fun	Col Downtown&Airport Ctp	SRF Loan/Outdoor Cleanup	Columbus Redevelopment	Columbus Technology Fund	NSP1 Northbrook & Linc Ctrl
Cash and investments - beginning	\$ 6,783	\$ 112,147	\$ -	\$ -	\$ 2,717	\$ 600,081	\$ (111,649)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	14,090	-	-	-	279,543	-
Intergovernmental	6,300	-	-	-	-	-	-
Charges for services	-	750	-	-	-	90,842	-
Fines and forfeits	-	25,515	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	3,478	2,294,254	31,000	13,106	1,071	471,156
Total receipts	<u>6,300</u>	<u>43,833</u>	<u>2,294,254</u>	<u>31,000</u>	<u>13,106</u>	<u>371,456</u>	<u>471,156</u>
Disbursements:							
Personal services	-	-	-	-	-	79,569	-
Supplies	-	-	-	-	-	32	-
Other services and charges	5,213	50,062	-	31,000	11,035	27,701	356,011
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	328,771	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	50	-	-	-	-	-
Total disbursements	<u>5,213</u>	<u>50,112</u>	<u>-</u>	<u>31,000</u>	<u>11,035</u>	<u>436,073</u>	<u>356,011</u>
Excess (deficiency) of receipts over disbursements	<u>1,087</u>	<u>(6,279)</u>	<u>2,294,254</u>	<u>-</u>	<u>2,071</u>	<u>(64,617)</u>	<u>115,145</u>
Cash and investments - ending	<u>\$ 7,870</u>	<u>\$ 105,868</u>	<u>\$ 2,294,254</u>	<u>\$ -</u>	<u>\$ 4,788</u>	<u>\$ 535,464</u>	<u>\$ 3,496</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	2008 Debt Fund	Woodside Nw Fund 250	TIF Money	New Commons	Jackson St.Bond Premium	Outdoor Sports Ctr Bond	Redevelopment Bond'08
Cash and investments - beginning	\$ 77,966	\$ 31,952	\$ 985,032	\$ 1,175,938	\$ 634,507	\$ 7,320,175	\$ 425
Receipts:							
Taxes	-	-	3,759,441	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	2,300,875	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	700,288	-	-
Total receipts	-	-	3,759,441	2,300,875	700,288	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	31,952	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	633,048	22,500	-
Capital outlay	61,355	-	3,360,521	3,476,745	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	16,611	-	-	-	-	-	-
Total disbursements	77,966	31,952	3,360,521	3,476,745	633,048	22,500	-
Excess (deficiency) of receipts over disbursements	(77,966)	(31,952)	398,920	(1,175,870)	67,240	(22,500)	-
Cash and investments - ending	\$ -	\$ -	\$ 1,383,952	\$ 68	\$ 701,747	\$ 7,297,675	\$ 425

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Outdoor Bond Reserve Fund	Sinking Outdoor Fund Pymt	Debt'08 Bank Int. Earned	Woodside Bond Pymts.(TIF)	Redev Bond'08 Capital/Tax	Commons Building Fund 264	Commons '09 Bond Pymts
Cash and investments - beginning	\$ 820,076	\$ -	\$ 168,528	\$ 81,072	\$ 74,691	\$ 351,548	\$ 650,581
Receipts:							
Taxes	-	-	-	-	95,833	-	326,272
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	6,703	-	24,343
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,560	723,658	1,125	133,000	-	-	3,720
Total receipts	2,560	723,658	1,125	133,000	102,536	-	354,335
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	198,508	-	-	-	-	-
Debt service - principal and interest	-	-	169,653	80,825	92,500	-	723,112
Capital outlay	-	-	-	-	-	351,548	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	198,508	169,653	80,825	92,500	351,548	723,112
Excess (deficiency) of receipts over disbursements	2,560	525,150	(168,528)	52,175	10,036	(351,548)	(368,777)
Cash and investments - ending	\$ 822,636	\$ 525,150	\$ -	\$ 133,247	\$ 84,727	\$ -	\$ 281,804

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Millrace Ctr/Transit Bldg	Brokers National Life	American United Life Ins	Flex Fund	Council Non-Reverting	Human Rights Nonreverting	USDA/RBEG Flood Relief
Cash and investments - beginning	\$ 1,251,716	\$ -	\$ -	\$ 22,586	\$ 69,699	\$ 6,287	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,677,892	-	-	-	-	-	40,000
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	4,684	59,349	89,494	313,101	-	10,178	-
Total receipts	<u>1,682,576</u>	<u>59,349</u>	<u>89,494</u>	<u>313,101</u>	<u>-</u>	<u>10,178</u>	<u>40,000</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	69,699	5,682	40,000
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	2,661,773	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	59,349	89,494	320,000	-	-	-
Total disbursements	<u>2,661,773</u>	<u>59,349</u>	<u>89,494</u>	<u>320,000</u>	<u>69,699</u>	<u>5,682</u>	<u>40,000</u>
Excess (deficiency) of receipts over disbursements	<u>(979,197)</u>	<u>-</u>	<u>-</u>	<u>(6,899)</u>	<u>(69,699)</u>	<u>4,496</u>	<u>-</u>
Cash and investments - ending	<u>\$ 272,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,687</u>	<u>\$ -</u>	<u>\$ 10,783</u>	<u>\$ -</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Escrow Acct/Dunlap & Co.	Housing/Com Dev	Com.Dev Special Projects	Adjustment Acct. Com Dev	Com.Dev. Special Programs	LLEBG Crime Prevention	Police Alarms Systems
Cash and investments - beginning	\$ 636,609	\$ 102,403	\$ 342	\$ -	\$ 33,000	\$ 9	\$ 79,981
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	3,740
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	4,990	-	-	50,000	354	-	1,198
Total receipts	4,990	-	-	50,000	354	-	4,938
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	500,000	15,580	240	50,000	15,537	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	500,000	15,580	240	50,000	15,537	-	-
Excess (deficiency) of receipts over disbursements	(495,010)	(15,580)	(240)	-	(15,183)	-	4,938
Cash and investments - ending	\$ 141,599	\$ 86,823	\$ 102	\$ -	\$ 17,817	\$ 9	\$ 84,919

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	CDBG Entitle/House RLF NR	CDBG Local Match	Com. Dev. Ethnic Expo	Banner Fund 287	Com Dev Garden Plots	Maint Eastside Comm Ctr	Com Dev Mayor'S Breakfast
Cash and investments - beginning	\$ (9,351)	\$ -	\$ 43,055	\$ 875	\$ 4,205	\$ 418	\$ 1,739
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	478,099	10,432	50,261	625	-	-	-
Total receipts	478,099	10,432	50,261	625	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	463,640	6,162	61,519	1,500	2,077	-	1,696
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	463,640	6,162	61,519	1,500	2,077	-	1,696
Excess (deficiency) of receipts over disbursements	14,459	4,270	(11,258)	(875)	(2,077)	-	(1,696)
Cash and investments - ending	\$ 5,108	\$ 4,270	\$ 31,797	\$ -	\$ 2,128	\$ 418	\$ 43

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Mayor's 2010 Cheer Fund	Adopt A Brick	Dorel/Cherry St. Sidewalk	Cummins Garage Reserve Fd	Parks Bond Of 2005	Transit Non-Reverting	Com. Dev. Streetscape
Cash and investments - beginning	\$ 2,902	\$ 3,508	\$ 1,771	\$ -	\$ -	\$ 25,000	\$ 168,771
Receipts:							
Taxes	-	-	-	-	305,755	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	20,759	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	686	650	1,629	939,636	-	-	-
Total receipts	<u>686</u>	<u>650</u>	<u>1,629</u>	<u>939,636</u>	<u>326,514</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	3,588	879	3,400	-	-	-	114,921
Debt service - principal and interest	-	-	-	-	326,514	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>3,588</u>	<u>879</u>	<u>3,400</u>	<u>-</u>	<u>326,514</u>	<u>-</u>	<u>114,921</u>
Excess (deficiency) of receipts over disbursements	<u>(2,902)</u>	<u>(229)</u>	<u>(1,771)</u>	<u>939,636</u>	<u>-</u>	<u>-</u>	<u>(114,921)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 3,279</u>	<u>\$ -</u>	<u>\$ 939,636</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 53,850</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Engineering Special Proj.	Fire Alarms Systems	Safe Routes /School Plans	Lawrence State&Local Tax	Payroll Fund	Pension-Net Payroll	Federal Tax Withholdings
Cash and investments - beginning	\$ 72,061	\$ 7,726	\$ -	\$ 31	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	44	45,348	83	833,026	1,756	2,063,401
Total receipts	-	44	45,348	83	833,026	1,756	2,063,401
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	45,348	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	2,809	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	114	833,026	1,756	2,063,401
Total disbursements	-	2,809	45,348	114	833,026	1,756	2,063,401
Excess (deficiency) of receipts over disbursements	-	(2,765)	-	(31)	-	-	-
Cash and investments - ending	\$ 72,061	\$ 4,961	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	FICA Withholdings	Medicare Withholdings	Barth. State&Local Tax	Johnson State&Local Tax	Decatur State&Local Tax	Jennings State&Local Tax	Brown State&Local Tax
Cash and investments - beginning	\$ -	\$ -	\$ 85,140	\$ 85	\$ 82	\$ -	\$ 197
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,056,975	507,201	850,811	1,413	1,041	214	2,997
Total receipts	<u>1,056,975</u>	<u>507,201</u>	<u>850,811</u>	<u>1,413</u>	<u>1,041</u>	<u>214</u>	<u>2,997</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,056,975	507,201	848,118	1,390	1,035	190	2,922
Total disbursements	<u>1,056,975</u>	<u>507,201</u>	<u>848,118</u>	<u>1,390</u>	<u>1,035</u>	<u>190</u>	<u>2,922</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>2,693</u>	<u>23</u>	<u>6</u>	<u>24</u>	<u>75</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,833</u>	<u>\$ 108</u>	<u>\$ 88</u>	<u>\$ 24</u>	<u>\$ 272</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Marion State&Local Tax	Jackson State&Local Tax	Vanderburgh St.&Local Tax	457 Catch Up	457 Deferred Comp.	IU Bank Direct Deposit	Garnishment Fee
Cash and investments - beginning	\$ 57	\$ 159	\$ 3	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	470	2,311	217	15,000	518,197	13,406,661	199
Total receipts	<u>470</u>	<u>2,311</u>	<u>217</u>	<u>15,000</u>	<u>518,197</u>	<u>13,406,661</u>	<u>199</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	527	2,280	200	15,000	518,197	13,406,661	199
Total disbursements	<u>527</u>	<u>2,280</u>	<u>200</u>	<u>15,000</u>	<u>518,197</u>	<u>13,406,661</u>	<u>199</u>
Excess (deficiency) of receipts over disbursements	<u>(57)</u>	<u>31</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 190</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	LTD	United Way Of Bartholomew	PFIA	Barth.Co Clerk-21	Voluntary Perf	Fire PERF	Utilities Reimbursement
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 566	\$ 34,264	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	18,778	5,071	34,977	211	2,143	131,985	1,002
Total receipts	<u>18,778</u>	<u>5,071</u>	<u>34,977</u>	<u>211</u>	<u>2,143</u>	<u>131,985</u>	<u>1,002</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	18,778	5,071	34,977	211	2,214	135,597	1,002
Total disbursements	<u>18,778</u>	<u>5,071</u>	<u>34,977</u>	<u>211</u>	<u>2,214</u>	<u>135,597</u>	<u>1,002</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(71)</u>	<u>(3,612)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 495</u>	<u>\$ 30,652</u>	<u>\$ -</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Escrow Almet Inc.	Police PERF	Escrow Chance Bros.	Escrow Gibraltar Const	Escrow Hrc Roofing&Sheet	Escrow Hoosier Glass Co	Escrow Milestone Const
Cash and investments - beginning	\$ 40,544	\$ 27,594	\$ -	\$ 122,472	\$ 41,476	\$ 17,481	\$ 72,647
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,443	109,024	13,731	171	22,924	7,461	38,125
Total receipts	1,443	109,024	13,731	171	22,924	7,461	38,125
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	41,987	-	13,731	122,643	64,400	24,942	55,189
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	111,355	-	-	-	-	-
Total disbursements	41,987	111,355	13,731	122,643	64,400	24,942	55,189
Excess (deficiency) of receipts over disbursements	(40,544)	(2,331)	-	(122,472)	(41,476)	(17,481)	(17,064)
Cash and investments - ending	\$ -	\$ 25,263	\$ -	\$ -	\$ -	\$ -	\$ 55,583

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Escrow Miller-Eads Co.	Escrow Nading Mechanical	Barth Co. Treas	Barth Co. Clerk #34	Kosciusko Co.	DIV F&C#35	DIV OF F&C-32
Cash and investments - beginning	\$ 59,279	\$ 52,533	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	34,194	11,838	550	1,300	1,320	81	4,400
Total receipts	<u>34,194</u>	<u>11,838</u>	<u>550</u>	<u>1,300</u>	<u>1,320</u>	<u>81</u>	<u>4,400</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	93,473	31,113	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	550	1,300	1,320	81	4,400
Total disbursements	<u>93,473</u>	<u>31,113</u>	<u>550</u>	<u>1,300</u>	<u>1,320</u>	<u>81</u>	<u>4,400</u>
Excess (deficiency) of receipts over disbursements	<u>(59,279)</u>	<u>(19,275)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 33,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	DIV OF F&C-31	DIV OF F &C 803	Barth Co. Clerk #53	Barth Co. Clerk #44	Barth. Co. Clerk-46	Brown Co. Circuit Court	Div of Family/Children
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	3,120	4,368	5,302	1,050	200	2,700	3,168
Total receipts	<u>3,120</u>	<u>4,368</u>	<u>5,302</u>	<u>1,050</u>	<u>200</u>	<u>2,700</u>	<u>3,168</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	3,120	4,368	5,302	1,050	200	2,700	3,168
Total disbursements	<u>3,120</u>	<u>4,368</u>	<u>5,302</u>	<u>1,050</u>	<u>200</u>	<u>2,700</u>	<u>3,168</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Div of Family/Children 2	Div of Family/Children 3	Div of Family/Children	Bartholomew Co. Clerk-#54	Div Of Family/Children 9	Div of Family/Children 10	N.Carolina Child Support
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	48,498	7,436	1,320	2,127	15,600	6,396	2,400
Total receipts	48,498	7,436	1,320	2,127	15,600	6,396	2,400
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	48,498	7,436	1,320	2,127	15,600	6,396	2,400
Total disbursements	48,498	7,436	1,320	2,127	15,600	6,396	2,400
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Division of F&C#11	Floyd Co Tax	US Treasury	Bartholomew Co. Clerk-29	Allied Collection Service	Bartholomew Co.Clerk-55	Barth Co.Clk-50
Cash and investments - beginning	\$ -	\$ 57	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	7,384	726	630	1,950	650	199	2,260
Total receipts	<u>7,384</u>	<u>726</u>	<u>630</u>	<u>1,950</u>	<u>650</u>	<u>199</u>	<u>2,260</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	7,384	725	630	1,950	650	199	2,260
Total disbursements	<u>7,384</u>	<u>725</u>	<u>630</u>	<u>1,950</u>	<u>650</u>	<u>199</u>	<u>2,260</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 58</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Barth Co. Clerk #55	Uniforms-Garage	Uniforms-Parks	Union Dues	Johnson Circuit	NYS Child Support	Barth Co. Clerk #16
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,050	2,184	2,276	22,874	772	72	5,453
Total receipts	<u>1,050</u>	<u>2,184</u>	<u>2,276</u>	<u>22,874</u>	<u>772</u>	<u>72</u>	<u>5,453</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,050	2,184	2,276	22,874	772	72	5,453
Total disbursements	<u>1,050</u>	<u>2,184</u>	<u>2,276</u>	<u>22,874</u>	<u>772</u>	<u>72</u>	<u>5,453</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Barth Co Clerk-49	Division of F&C#16	Pension-Direct Deposit	Pension-Federal & F/M WH	Pension-State & Local	Ind State Central Collect	FOP Over20Yrs\$13.25-26.50
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	360	4,841	2,199,721	283,643	84,416	385	320
Total receipts	<u>360</u>	<u>4,841</u>	<u>2,199,721</u>	<u>283,643</u>	<u>84,416</u>	<u>385</u>	<u>320</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	360	4,841	2,199,721	283,643	84,416	385	320
Total disbursements	<u>360</u>	<u>4,841</u>	<u>2,199,721</u>	<u>283,643</u>	<u>84,416</u>	<u>385</u>	<u>320</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	FOP Reg.Dues\$17.50-\$35.00	Division of F&C#30	Barth Co Clk-42	Wastewater Operating	Wastewater Deposits	Wastewater Bond & Interest
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 5,647,073	\$ 148,677	\$ 3,944,795
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	12,480,929	-	-
Penalties	-	-	-	138,405	-	-
Other receipts	2,900	480	525	612,284	58,504	5,983,022
Total receipts	<u>2,900</u>	<u>480</u>	<u>525</u>	<u>13,231,618</u>	<u>58,504</u>	<u>5,983,022</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	5,920,022
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	4,123,832	-	-
Other disbursements	2,900	480	525	10,765,829	43,758	11,502
Total disbursements	<u>2,900</u>	<u>480</u>	<u>525</u>	<u>14,889,661</u>	<u>43,758</u>	<u>5,931,524</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,658,043)</u>	<u>14,746</u>	<u>51,498</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,989,030</u>	<u>\$ 163,423</u>	<u>\$ 3,996,293</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Wasterwater Depreciation	Bond Construction	Bond Reserve	Water Operating	Water Deposits	Water Bond & Interest
Cash and investments - beginning	\$ 6,133,099	\$ 13,133,938	\$ 1,757,229	\$ 2,577,162	\$ 92,628	\$ 604,700
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	4,493,950	-	-
Penalties	-	-	-	20,779	-	-
Other receipts	<u>2,255,992</u>	<u>120,616</u>	<u>802,723</u>	<u>771,751</u>	<u>38,436</u>	<u>744,346</u>
Total receipts	<u>2,255,992</u>	<u>120,616</u>	<u>802,723</u>	<u>5,286,480</u>	<u>38,436</u>	<u>744,346</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	726,100
Capital outlay	447,095	9,249,785	-	-	-	-
Utility operating expenses	-	-	-	3,190,258	-	-
Other disbursements	<u>2,792</u>	<u>431,685</u>	<u>7,213</u>	<u>2,675,836</u>	<u>31,445</u>	<u>1,821</u>
Total disbursements	<u>449,887</u>	<u>9,681,470</u>	<u>7,213</u>	<u>5,866,094</u>	<u>31,445</u>	<u>727,921</u>
Excess (deficiency) of receipts over disbursements	<u>1,806,105</u>	<u>(9,560,854)</u>	<u>795,510</u>	<u>(579,614)</u>	<u>6,991</u>	<u>16,425</u>
Cash and investments - ending	<u>\$ 7,939,204</u>	<u>\$ 3,573,084</u>	<u>\$ 2,552,739</u>	<u>\$ 1,997,548</u>	<u>\$ 99,619</u>	<u>\$ 621,125</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Water Depreciation	Aviation General Operating	FAA Grant Fund	SIHO Medical Claims	SIHO Flex Plan	Totals
Cash and investments - beginning	\$ 1,040,216	\$ 1,739,208	\$ 62,116	\$ 114,046	\$ 3,733	\$ 78,474,369
Receipts:						
Taxes	-	-	-	-	-	29,547,576
Licenses and permits	-	-	-	-	-	477,314
Intergovernmental	-	-	-	-	-	18,499,110
Charges for services	-	673,637	-	-	-	4,656,180
Fines and forfeits	-	-	-	-	-	88,846
Utility fees	-	-	-	-	-	16,974,879
Penalties	-	-	-	-	-	159,184
Other receipts	1,389,003	722,710	311,742	6,518,649	320,201	64,779,838
Total receipts	<u>1,389,003</u>	<u>1,396,347</u>	<u>311,742</u>	<u>6,518,649</u>	<u>320,201</u>	<u>135,182,927</u>
Disbursements:						
Personal services	-	284,896	-	-	-	20,963,331
Supplies	-	76,524	-	-	-	2,435,308
Other services and charges	-	502,510	-	-	-	28,599,349
Debt service - principal and interest	-	-	-	-	-	8,694,274
Capital outlay	726,996	120,414	266,599	-	-	26,261,989
Utility operating expenses	-	-	-	-	-	7,314,090
Other disbursements	228,000	-	-	6,519,288	308,425	46,640,816
Total disbursements	<u>954,996</u>	<u>984,344</u>	<u>266,599</u>	<u>6,519,288</u>	<u>308,425</u>	<u>140,909,157</u>
Excess (deficiency) of receipts over disbursements	<u>434,007</u>	<u>412,003</u>	<u>45,143</u>	<u>(639)</u>	<u>11,776</u>	<u>(5,726,230)</u>
Cash and investments - ending	<u>\$ 1,474,223</u>	<u>\$ 2,151,211</u>	<u>\$ 107,259</u>	<u>\$ 113,407</u>	<u>\$ 15,509</u>	<u>\$ 72,748,139</u>

CITY OF COLUMBUS
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Foundation For Youth	1998 Foundation for Youth Lease	\$ 398,000	12-31-98	12-31-17
PNC Bank	2008 Parks Vehicle & Equipment	46,157	03-17-08	03-17-12
Regions Bank	2010 Parks Vehicle & Equipment	86,547	04-01-11	10-01-15
Regions Bank	2009 Police Vehicle & Equipment	<u>216,495</u>	10-01-09	04-01-14

Total of annual lease payments \$ 747,199

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2005 Park District Refunding Bonds	\$ 1,955,000	\$ 367,475
General obligation bonds	2007 Redevelopment District - Parking Garage A1	4,955,000	303,175
General obligation bonds	2007 Redevelopment District - Parking Garage A2	4,960,000	393,932
General obligation bonds	2007 Redevelopment District - Woodside	965,000	107,895
General obligation bonds	2008 Redevelopment District - Parking Garage	910,000	90,300
General obligation bonds	2009 Commons Bond	8,490,000	712,763
Revenue bonds	2010 Outdoor Sports Complex	8,200,000	687,934
Revenue bonds	Series 2011 Buckingham Cole Taxable Ec. Dev. Bond	1,635,000	48,025
Revenue bonds	SRF Redevelopment District Rev. Bonds 2011A	585,000	30,000
Revenue bonds	Brownfield Series 2011B Revenue Bond	1,170,000	30,000
Revenue bonds	Ec. Dev. Certified Tech Park Rev Bond Series 2011A	9,395,000	2,101,180
Revenue bonds	Ec. Dev. TIF Bonds Series 2011B	3,730,000	98,007
Revenue bonds	Taxable Ec. Dev. Rev Bonds Series 2009	<u>12,210,624</u>	<u>140,000</u>
Total governmental activities		<u>59,160,624</u>	<u>5,110,686</u>
Wastewater:			
Revenue bonds	EBRSD	715,000	68,550
Revenue bonds	SRF Bonds 2006	26,402,000	2,177,116
Revenue bonds	SRF Bonds 2008	5,285,000	418,519
Revenue bonds	SRF Bonds 2009	49,535,000	3,224,946
Notes and loans payable	RV SRF	<u>254,717</u>	<u>30,034</u>
Total Wastewater		<u>82,191,717</u>	<u>5,919,165</u>
Water:			
Revenue bonds	2005 Bonds Ref	<u>1,405,000</u>	<u>729,300</u>
Totals		<u>\$ 142,757,341</u>	<u>\$ 11,759,151</u>

CITY OF COLUMBUS
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 7,127,274
Infrastructure	211,985,918
Buildings	96,127,531
Improvements other than buildings	11,250,464
Machinery, equipment and vehicles	20,847,395
Books and other	128,000
Total governmental activities	347,466,582
Wastewater:	
Land	1,707,894
Infrastructure	46,599,657
Buildings	51,341,565
Improvements other than buildings	1,013,377
Machinery, equipment and vehicles	30,595,847
Construction in progress	295,040
Total Wastewater	131,553,380
Water:	
Land	237,523
Infrastructure	31,838,953
Buildings	15,522,944
Improvements other than buildings	315,062
Machinery, equipment and vehicles	4,113,666
Total Water	52,028,148
Aviation:	
Land	2,009,644
Buildings	3,323,889
Improvements other than buildings	21,557,764
Machinery, equipment and vehicles	723,221
Total Aviation	27,614,518
Total capital assets	\$ 558,662,628

CITY OF COLUMBUS
OTHER REPORT

The annual report presented herein was prepared in addition to the official report prepared for the individual City office listed below:

Columbus Redevelopment Commission

CITY OF COLUMBUS
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Internal Controls – Financial Transactions

1. Two employees in the Clerk-Treasurer's office are responsible for reconciling the bank accounts to the ledger on a monthly basis; the Clerk-Treasurer then reviews and approves the bank reconciliation. No audit trail was provided to verify the Clerk-Treasurer was actually reviewing and approving the bank reconciliations.
2. Two employees routinely make corrections and adjustments to the ledger and to the bank accounts as needed. There are no policies and procedures established to ensure that all such corrections and adjustments were reviewed and approved by someone independent of that process.
3. Controls are not in place to verify the errors found during the reconciling process were corrected timely. As an example, on the December 31, 2011 bank reconcilements, there was a reconciling item for \$246,273, a transfer between funds that was posted to the books but not yet transferred between the bank accounts. The transfer was posted on December 31 and then subsequently reversed, also on December 31, since the Common Council had not yet approved an additional appropriation for this amount. However, the bank reconcilements were not corrected; the transaction was still included as a reconciling item on the year end reconcilements. Additionally, controls are not in place to verify total cash and investments reported on the Annual Report agree to the reconciled bank balance.

Segregation of Duties and Internal Controls Over Receipts/Revenues – Board of Aviation

1. Control activities should be selected and developed at various levels to reduce risks of error and/or fraud with regard to the financial statement. The Aviation office has not separated incompatible activities related to billing, collecting, and posting receipts. The failure to establish these controls could enable material misstatements to remain undetected. The Aviation office manager performs the calculations to determine monthly lease amounts, prepares the billings, posts the accounts receivable Excel spreadsheet, and receives the payments.
2. Additionally, receipts are not written as each payment is received. Instead, one receipt is written in total for the amount collected for each specific type of funds received (hanger rental, building rental, farming income, etc.) to account for the moneys that are received for a specified time frame.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF COLUMBUS
AUDIT RESULTS AND COMMENTS
(Continued)

INTERNAL CONTROLS OVER EXPENDITURES

Internal Controls – Payroll for Salaried Employees

The City has not established proper controls to verify salaried employees are working the required hours prior to being paid. Salaried employees are paid to date each pay. The payroll schedules/worksheets are submitted by the department or responsible official approximately seven days prior to the end of the pay period. For example, the pay period of April 1, 2011 to April 14, 2011, was paid on April 15, 2011. In most instances, the payroll schedule/worksheet was signed by the employee and approved by the department head on or around April 7, 2011, and submitted to the Clerk-Treasurer's office for processing. As a result, the employee and department head are certifying the hours worked prior to the employee actually working the hours that were included in that pay period.

Internal Controls - Accounts Payable Vouchers

1. Controls are not in place that would provide the original accounts payable voucher to the Clerk-Treasurer for auditing and certifying. The Parks Department does not submit their accounts payable vouchers to the Clerk-Treasurer's office. Instead, they enter the information into the financial software system. The Clerk-Treasurer's staff then stamps her signature on the accounts payable voucher register, which states "I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and I have audited same in accordance with IC 5-11-10-1.6." The Clerk-Treasurer never sees the actual accounts payable voucher.
2. Controls in place for preparing, reviewing, and certifying accounts payable vouchers are not always effective. During the testing of the accounts payable vouchers, we noted that there were some instances where there was no evidence of the receipt of goods or services, other than the signature of the department head, on the accounts payable vouchers. A review of procedures should be performed to ensure that there are sufficient controls over the receipt of goods and services. For federal grants, the person who is responsible for that grant should be reviewing and signing off on those claims. Also, there were some accounts payable vouchers for other departments that were prepared by the Clerk-Treasurer's office and then subsequently audited and certified by the Clerk-Treasurer. The Clerk-Treasurer's staff should not be preparing accounts payable vouchers for other departments, since they are charged with auditing the accounts payable vouchers. If this practice is continued, someone other than the Accounts Payable staff member should prepare the accounts payable voucher, and the appropriate department head should sign the accounts payable vouchers. The Clerk-Treasurer, or her staff, should not sign those accounts payable vouchers, in lieu of the department head or their designated staff person signing.
3. The bi-weekly payroll schedule and vouchers, and other alternate, approved payroll worksheets, have not been, but should be, certified by the Clerk-Treasurer and then approved by the Board of Public Works and Safety. Also, for internal control purposes, payroll withholding accounts payable vouchers should be certified by the Clerk-Treasurer and approved by the Board of Public Works and Safety.

The Payroll Schedule and Voucher (General Form No. 99) should be used for all payrolls. Each claim should be certified to by the department head and the Clerk-Treasurer in the appropriate sections provided thereon. The Clerk-Treasurer may elect to certify on the Accounts Payable Voucher Register, General Form No. 364, in lieu of certifying each Payroll Schedule and Voucher. . . .Approval signatures by a majority of the board are required in the appropriate section unless the Accounts Payable Voucher Register, General Form 364, is signed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 4)

CITY OF COLUMBUS
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-10-2(a) states:

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid."

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7

GIFTED FUNDS

The City of Columbus gifted \$1,000,000 to the Columbus Education Coalition. The Common Council minutes of July 5, 2011 stated in part: "First reading of an Ordinance entitled "ORDINANCE NO. _____, 2011, AN ORDINANCE PROVIDING FOR THE ADDITIONAL APPROPRIATION OF FUNDS FOR THE BUDGET YEAR 2011 (Rainy Day Fund) Mayor Fred Armstrong presented the Ordinance for One Million Dollars (\$1,000,000.00) to be gifted to the Columbus Education Coalition from the Rainy Day Fund. . . . Cummins Inc., partnering with Columbus Education Coalition, focuses on promoting educational opportunities in the Columbus community. Jim Lienhoop made a motion to make the check payable to Columbus Education Coalition instead of Cummins, Inc. . . ." The ordinance was passed on second reading on July 19, 2011.

Ordinance No. 18, 2011 states in part: "Whereas, Cummins Inc. has presented the City of Columbus with an opportunity to bring 600 high paying technology related jobs to the downtown Columbus; Whereas, that the City of Columbus has agreed to support the Cummins Inc. expansion in Columbus by paying the sum of One Million Dollars (\$1,000,000) from the Rainy Day Fund to the Columbus Learning Center Management Corporation D/B/A Community Education Coalition. . .to use toward educational initiatives in the Columbus area . . ."

We found no instance, in any of the documents provided for audit, of this transaction being described as a grant. As noted above, the Common Council minutes reflect that \$1,000,000 is to be "gifted" to the Columbus Education Coalition. The ordinance itself references an agreement to "Support" the Cummins, Inc., expansion. No written agreement between the City and Columbus Education Coalition was provided for audit. No written agreement between the City and any party, relative to this transaction, was provided for audit.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines for Cities and Towns, Chapter 7)

CITY OF COLUMBUS
AUDIT RESULTS AND COMMENTS
(Continued)

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ANNUAL REPORT

The annual report includes a debt schedule. City officials had not included the Taxable Economic Development Revenue Bonds, Series 2009, with an original issue amount of \$12,210,624 in the 2009 or 2010 annual report debt schedules.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

INTERNAL CONTROLS – SALE OF RECYCLED OIL AND OTHER CITY MATERIALS

Controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient: During May 2012, the Fire Department Master Mechanic brought an issue to the attention of the acting interim Fire Chief. In 2006, the Fire Department started receiving money for City owned used oil from a company that would pick up and take the oil to be recycled. Payment from the company to the City, at first, was approximately \$30 every three months. The Master Mechanic informed the Fire Chief in 2006 about the money received for the City property. The Fire Chief did not believe the amount of money was sufficient to bother with and instructed the Mechanic to place the money received from the City owned used oil into the "coke fund," which was an individual personal account of the Master Mechanic, not a department or City account. Beverages were not paid for with City money and the "coke fund" was set up by employees to pool their money to pay for their own personal beverages. As the years passed, the amount received by the company for the City used oil increased to approximately \$300-\$400 every three months. The money received continued to be placed into the "coke fund." Once the Mechanic brought this issue to the attention of the then Interim Fire Chief in May 2012, the Interim Fire Chief informed the former City Attorney and the Police Department undertook an investigation.

Disciplinary actions were taken against the former Fire Chief, who is now a firefighter, and the Master Mechanic, who is now also a firefighter.

New policies and procedures are currently being developed to address this issue as well as other related issues, including the sale of scrap metal.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

Compliance

We have audited City of Columbus's (City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

As described in items 2011-2 and 2011-3 in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with requirements regarding cash management and special tests and provisions that are applicable to its Airport Improvement Program and its Highway Planning and Construction Cluster. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended December 31, 2011. However the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2011-4.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2011-2, 2011-3, and 2011-4 to be material weaknesses.

The City's response to the findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. We did not audit the City's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 8, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved by management of the City. The schedule and note are presented as intended by the City.

CITY OF COLUMBUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct Grant			
Rural Business Enterprise Grants	10.769	None	\$ 40,000
Total for federal grantor agency			<u>40,000</u>
Direct Grant			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218		
B09MC180020		None	69,166
B10MC180020		None	318,199
B11MC180020		None	<u>87,514</u>
Total for cluster			<u>474,879</u>
Pass-Through Indiana Office of Rural and Community Affairs			
CDBG - State-Administered CDBG Cluster			
Community Development Block Grants/State's Program			
and Non-Entitlement Grants in Hawaii	14.228		
Neighborhood Stabilization Project		NSP1-009-012	467,237
Flooded Homes Buyout Program		DR1HB-009-001	<u>57,822</u>
Total for cluster			<u>525,059</u>
Direct Grant			
Economic Development Initiative-Special Project,			
Neighborhood Initiative and Miscellaneous Grants	14.251		
Fiscal Year 2008 EDI-Special Projects		B-08-SP-IN-0519	<u>302,666</u>
Total for federal grantor agency			<u>1,302,604</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205		
Metropolitan Planning Organization		None	310,443
Safe Routes to Schools		DES #0902285	45,348
Preliminary Engineering		DES #0500876	11,280
Preliminary Engineering		DES #0500875	15,374
Road Construction		DES #9506290	<u>420,857</u>
Total for cluster			<u>803,302</u>
Direct Grant			
Federal Transit Cluster			
Federal Transit_Formula Grants	20.507		
Transit operations		IN-96-X602-00	199,841
Transit operations		IN-96-X616-00	<u>435,598</u>
Total for program			<u>635,439</u>
ARRA - Federal Transit_Formula Grants	20.507		
Transit station		IN-96-X019-00	<u>233,226</u>
Total for cluster			<u>868,665</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF COLUMBUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF TRANSPORTATION (CONTINUED)</u>			
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
State and Community Highway Safety	20.600		
Big City/County		None	11,746
Big City/County		None	<u>2,750</u>
Total for cluster			<u>14,496</u>
Direct Grant			
Airport Improvement Program	20.106		
AIP 3-22 Runway 5/23 Phase 2		3-18-0012-022-2009	239,609
AIP 3-23 Runway 5/23 Lighting		3-18-0012-023-2011	<u>67,735</u>
Total for program			<u>307,344</u>
Total for federal grantor agency			<u>1,993,807</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Department of Environmental Management			
Capitalization Grants for Clean Water State Revolving Funds	66.458		
2006 SRF Grant		CS18239901	9,896
2008 SRF Grant		CS18239903	4,412
2009 SRF Grant		WW08090304	<u>3,483,787</u>
Total for federal grantor agency			<u>3,498,095</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Assistance to Firefighters Grant	97.044		
Fire Department Exhaust Grant		EMW-2009-FO-01452	<u>88,834</u>
Hazard Mitigation Grant	97.039		
FEMA Buy-Out		C449-0-178A	<u>173,465</u>
Total for federal grantor agency			<u>262,299</u>
Total federal awards expended			<u>\$ 7,096,805</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF COLUMBUS
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Columbus and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

CITY OF COLUMBUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported

Type of auditor's report issued on compliance for major programs:

Unqualified for all programs except for Airport Improvement Program, and Highway Planning and Construction Cluster which were qualified.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes
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Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.251	CDBG – Entitlement Grants Cluster Economic Development Initiative-Special Project, Neighborhood Initiative Highway Planning and Construction Cluster
20.106	Federal Transit Cluster Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	No
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CITY OF COLUMBUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

FINDING 2011 – 1 - INTERNAL CONTROLS – FINANCIAL ACCOUNTABILITY AND RELATED AREAS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Internal Controls – Financial Transactions

1. Two employees in the Clerk-Treasurer's office are responsible for reconciling the bank accounts to the ledger on a monthly basis; the Clerk-Treasurer then reviews and approves the bank reconciliation. No audit trail was provided to verify the Clerk-Treasurer was actually reviewing and approving the bank reconciliations.
2. Two employees routinely make corrections and adjustments to the ledger and to the bank accounts as needed. There are no policies and procedures established to ensure that all such corrections and adjustments, were reviewed and approved by someone independent of that process.
3. Controls are not in place to verify the errors found during the reconciling process were corrected timely. As an example, on the December 31, 2011 bank reconcilements, there was a reconciling item for \$246,273, a transfer between funds that was posted to the books but not yet transferred between the bank accounts. The transfer was posted on December 31 and then subsequently reversed on December 31, since the Common Council had not yet approved an additional appropriation for this amount. However, the bank reconcilements were not corrected; the transaction was still included as a reconciling item on the year end reconcilements. Additionally, controls are not in place to verify total cash and investments reported on the Annual Report agree to the reconciled bank balance.

Segregation of Duties and Internal Controls over Receipts/Revenues – Board of Aviation

1. Control activities should be selected and developed at various levels to reduce risks of error and/or fraud with regard to the financial statements. The Aviation office has not separated incompatible activities related to billing, collecting and posting receipts. The failure to establish these controls could enable material misstatements to remain undetected. The Aviation office manager performs the calculations to determine monthly lease amounts, prepares the billings, posts the accounts receivable to an Excel spreadsheet, and receives the payments.
2. Additionally, receipts are not written as each payment is received. Instead, one receipt is written in total for the amount collected for each specific type of funds received (hanger rental, building rental, farming income, etc.) to account for the moneys that are received for a specified time frame.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF COLUMBUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

INTERNAL CONTROLS OVER EXPENDITURES

Internal Controls – Payroll for Salaried Employees

The City has not established proper controls to verify salaried employees are working the required hours prior to being paid. Salaried employees are paid to date each pay. The payroll schedules/worksheets are submitted by the department or responsible official approximately seven days prior to the end of the pay period. For example, the pay period of April 1, 2011 to April 14, 2011, was paid on April 15, 2011. In most instances, the payroll schedule/worksheet was signed by the employee and approved by the department head on or around April 7, 2011 and submitted to the Clerk-Treasurer's office for processing. As a result, the employee and department head are certifying the hours worked prior to the employee actually working the hours that were included in that pay period.

Internal Controls - Accounts Payable Vouchers

1. Controls are not in place that would provide the original accounts payable voucher to the Clerk-Treasurer for auditing and certifying. The Parks Department does not submit their accounts payable vouchers to the Clerk-Treasurer's office. Instead, they enter the information into the financial software system. The Clerk-Treasurer's staff then stamps her signature on the accounts payable voucher register, which states: "I hereby certify that the attached invoice(s), or bill(s), is (are) true and correct and I have audited same in accordance with IC 5-11-10-1.6." The Clerk-Treasurer never sees the actual accounts payable voucher.
2. Controls in place for preparing, reviewing, and certifying accounts payable vouchers are not always effective. During the testing of the accounts payable vouchers, we noted that there were some instances where there was no evidence of the receipt of goods or services, other than the signature of the department head, on the accounts payable voucher. A review of procedures should be performed to ensure that there are sufficient controls over the receipt of goods and services. For federal grants, the person who is responsible for that grant should be reviewing and signing off on those claims. Also, there were some accounts payable vouchers for other departments that were prepared by the Clerk-Treasurer's office and then subsequently audited and certified by the Clerk-Treasurer. The Clerk-Treasurer's staff should not be preparing accounts payable vouchers for other departments, since they are charged with auditing the accounts payable vouchers. If this practice is continued, someone other than the Accounts Payable staff member should prepare the accounts payable voucher, and the appropriate department head should sign the accounts payable voucher. The Clerk-Treasurer, or her staff, should not sign those accounts payable vouchers, in lieu of the department head or their designated staff person signing.
3. The bi-weekly payroll schedule and vouchers, and other alternate, approved payroll worksheets, have not been, but should be, certified by the Clerk-Treasurer and then approved by the Board of Public Works and Safety. Also, for internal control purposes, payroll withholding accounts payable vouchers should be certified by the Clerk-Treasurer and approved by the Board of Public Works and Safety.

The Payroll Schedule and Voucher (General Form No. 99) should be used for all payrolls. Each claim should be certified to by the department head and the Clerk-Treasurer in the appropriate sections provided thereon. The Clerk-Treasurer may elect to certify on the Accounts Payable Voucher Register, General

CITY OF COLUMBUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Form No. 364, in lieu of certifying each Payroll Schedule and Voucher. . . .Approval signatures by a majority of the board is required in the appropriate section unless the Accounts Payable Voucher Register, General Form 364, is signed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 4)

Indiana Code 5-11-10-2(a) states:

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid."

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Section III – Federal Award Findings and Questioned Costs

FINDING 2011-2 - CASH MANAGEMENT

Federal Agency: U.S. DEPARTMENT OF TRANSPORTATION
Federal Program: Airport Improvement Program
CFDA Number: 20.106
Federal Award Number: AIP 3-18-0012-2209

Airport officials are required to review their needs and draw funds, as needed, in accordance with federal guidelines. Airport officials requested a drawdown of \$47,896 for payment of an invoice for the AIP 3-18-0012-2209 project. The funds were receipted into the City's funds ledger by the Clerk-Treasurer's office on June 10, 2011. As of July 25, 2012, airport officials had not paid the invoice. Internal controls were not in place to ensure that drawdowns were only requested as funds were needed and that accounts payable vouchers were paid promptly upon receipt of the grant funds.

OMB Circular A133 Section .300(b) states:

"The auditee shall:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

CITY OF COLUMBUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

49 CFR 18.20 (b)(7) states in part:

"Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees."

Surplus cash indicates noncompliance with the cash management requirement as set forth by the grant agreement. Additionally, the City may be required to pay interest to the federal government for the excess time that the funds were held by the City.

We recommended that airport officials develop and implement procedures to ensure that the time between the receipt and disbursement of federal funds is minimized according to the grant regulations.

FINDING 2011 – 3 - INTERNAL CONTROLS RELATED TO ALLOWABLE COSTS, CASH MANAGEMENT, PERIOD OF AVAILABILITY, MATCHING, AND SPECIAL TESTS AND PROVISIONS; COMPLIANCE RELATED TO SPECIAL TESTS AND PROVISIONS

Federal Agency: U.S. Department of Transportation
Federal Program: Highway Planning and Construction Cluster
CFDA Number: 20.205
Federal Award Number and Year (or Other Identifying Number): DES #0500875; #0500876; #9506290
Pass-Through Entity: Indiana Department of Transportation

City officials had not established adequate internal controls over specific road projects in regards to allowable costs, cash management, period of availability, matching, and special tests and provisions.

Internal controls were not in place to track each phase of the road project. The INDOT contracts and purchase orders should be used to set up a project ledger or spreadsheet to account for the actual payments to the engineering firm, with columns to account for the INDOT contract/purchase order amount(s), and also to accurately account for the actual reimbursements received, from the INDOT claim voucher reimbursement process.

For the 17th Street construction engineering project, a manual project ledger was set up to track the City's contract with the engineering firm and each payment by the City to the engineering firm was recorded; however, no detail was kept as to the amount of the INDOT purchase order, the individual amounts submitted on INDOT claim vouchers for reimbursement to the City; remaining balances; and the subsequent date the INDOT claim voucher reimbursements were received by the City.

The INDOT claim vouchers were also submitted prior to actual payment by the City of the invoices. There were not sufficient controls in place to ensure that all invoices had been paid by the City prior to submission to INDOT for reimbursement and consequently, that the City's required 20 percent match had been paid, prior to the INDOT reimbursement.

CITY OF COLUMBUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Examples of two instances in which adequate internal controls could have prevented issues are as follows: two INDOT payments (\$2,409.24 for claim #25 - DES #0500876; and \$19,977.13 for claim #22 - DES #9506290) were not identified as federal reimbursements in the City's Revenue Detail History for 2011. The City's Schedule of Expenditures of Federal Awards as adjusted to include these two amounts. Claim #22 was an adjusted reimbursement amount, which had originally been submitted by City officials, for the 80% federal reimbursement of \$23,710; however, in order to not exceed the INDOT contract/purchase order amount, INDOT approved and paid only \$19,977.13. Having adequate internal controls in place would have ensured that the claim voucher had been prepared and submitted for the lower, and correct amount of \$19,977.13 in order to not exceed the approved INDOT contract/purchase order amount. The other payment for claim #25 – DES #0500876 would have been identified, if there had been adequate internal controls over the tracking of the actual receipt of each claim voucher reimbursement from INDOT.

Also, there were indications that there was ARRA funding for this phase of the project. However, there was not sufficient information available to determine the specific amount of ARRA funding that was received, in order to properly report the ARRA funding separately on the City's Schedule of Expenditures of Federal Awards. No separate records had been set up to account for the ARRA funded reimbursements.

OMB Circular A133 Section .300(b) states in part:

"The auditee shall:

Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Title 49 subpart 18.20 (a) states in part:

"A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to -- (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes. (b) The financial management systems of other grantees and subgrantees must meet the following standards: . . . (2) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. (3) Internal control. Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes. (4) Budget control. Actual expenditures or outlays must be compared with budgeted amounts for each grant or subgrant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible."

CITY OF COLUMBUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

49 CFR 18.21(d) states in part:

"Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement."

2 CFR 176.210 (a) states in part:

"To maximize the transparency and accountability of funds authorized under the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5) (Recovery Act) as required by Congress and in accordance with 2 CFR 215.21 "Uniform Administrative Requirements for Grants and Agreements" and OMB Circular A-102 Common Rules provisions, recipients agree to maintain records that identify adequately the source and application of Recovery Act funds . . ." "(b) For recipients covered by the Single Audit Act Amendments of 1996 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," recipients agree to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133. This shall be accomplished by identifying expenditures for Federal awards made under the Recovery Act separately on the SEFA, and as separate rows under Item 9 of Part III on the SF-SAC by CFDA number, and inclusion of the prefix "ARRA-" in identifying the name of the Federal program on the SEFA and as the first characters in Item 9d of Part III on the SF-SAC."

The effect of not having adequate internal controls over cash management and special tests and provisions has resulted in the following:

1. Errors in the INDOT claim vouchers submitted for reimbursement;
2. Reimbursement received for costs not paid by the City prior to receipt;
3. The City not separately tracking and accounting for the ARRA funding for this specific project.

The effect of not having adequate internal controls over allowable costs, period of availability, and matching could result in the following:

1. The City requesting reimbursement for costs not allowed;
2. The City not meeting the matching requirement;
3. Funds not timely identified as federal grant funds;
4. Costs being charged to projects outside of the period of availability.

We recommended that City officials establish adequate internal controls over the INDOT road projects with regards to allowable costs, cash management, period of availability, matching, and special tests and provisions.

CITY OF COLUMBUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2011-4 - REPORTING

Federal Agency: U.S. Department of Transportation, Federal Transit Administration
Federal Program: Federal Transit Cluster
CFDA Number: 20.507
Award Number and Year: IN-90-X616-00 FY 2011

The former Transit Coordinator had not established an effective internal control system over the preparation of the quarterly federal financial reports to ensure compliance with reporting requirements.

The quarterly federal financial reports were not completely filled out, based on the Federal Financial Report (FFR) – TEAM Instructions form. The federal cash receipts amount and federal cash disbursements amount were not completed. Based on information provided by the current City staff, they had been contacted by the Federal Transit Administration concerning issues with the amounts reported for the federal share and recipient share of expenditures amounts. Based on testing, the federal share and the recipient share of expenditure amounts were not reported in the correct quarter for the federal 2nd quarter of 2011 through the federal 4th quarter of 2011. Also, no unliquidated obligations were reported; there was no indication that the possibility that there were unliquidated obligations was considered, and that there were actually none to report. There was no documentation to provide support for the amounts that were reported, including the cumulative balances of the expenditures.

An internal control system should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a type of compliance requirement of a federal program will be prevented, detected and corrected, on a timely basis.

OMB Circular A-133, Subpart C, section .300(b) states:

"The auditee shall:

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

49 CFR 18.20(b)(1) states in part:

"*Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant."

The failure to establish internal controls could enable material noncompliance to remain undetected. Noncompliance of the grant agreement or the applicable compliance requirements could result in the loss of federal funds to the City.

We recommended that officials establish internal controls to ensure that the financial reports are prepared correctly.



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Luann G. Welmer, Clerk-Treasurer

CORRECTIVE ACTION PLAN

September 4, 2012

FINDING 2011-1 INTERNAL CONTROLS – Financial Accountability and Related Areas

Contact Person: Luann Welmer

Contact Information: 123 Washington St.
Columbus, IN 47201
Phone: 812-376-2510
Fax: 812-376-2651
lwelmer@columbus.in.gov

To Whom This May Concern:

The finding states “no audit trail was provided to verify the Clerk Treasurer was actually reviewing and approving the bank reconciliations”. Though a technical finding in light of the fact that it is well established that the Clerk Treasurer supervises all personnel of the office, as a corrective action plan, a rubber stamp has been ordered with the word “reviewed by” and “date” so the Clerk Treasurer can stamp and initial the bank reconciliations after approval. Regarding corrections and adjustments to ledgers and bank accounts – an action plan has been implemented for an additional employee to review and initial corrections and adjustments to ledgers and bank statements. Again, this finding and corrective plan response does not indicate that any public funds were missing or misappropriated.

The Clerk Treasurer’s Office does balance the bank statements to the fund report. We have a file with the fund report where we confirm the balance. The comment concerning the \$246,273 variance was the result of a year-end transaction that occurred after the account had been properly reconciled. Thereafter, an adjustment reversing the entry was necessary; however, a reprint of the balance reconciliation page showing the reversed entry was not in the book. At the end of the day, the book balances were correct.

Segregation of Duties and Internal Controls over Receipts/Revenues – Board of Aviation:

See response from Aviation Municipal Airport dated August 6, 2012.

The Clerk Treasurer’s Office is in the process of requesting a modification of the language printed on the Form 99 used by City Departments for payroll. Payroll documents will be reviewed and signed by the Clerk Treasurer and submitted to Board of Public Works and Safety for approval.

The procedure for the Parks Department claims approval has been as follows: Parks Director or Supervisor reviews and signs invoice authorizing approval to pay. The claim is entered by accounts payable clerk, then reviewed and signed by the Parks Department Board members and the docket was reviewed and signed by Clerk Treasurer. Correction plan will include the Clerk Treasurer reviewing individual claims and initialing the Accounts Payable Voucher forms.

It has always been the policy of the Clerk Treasurer’s Office to help other departments when necessary; specifically, two departments that do not have administrative support. The State Board of Accounts auditor feels the accounts payable clerk should not assist other departments in entering claims even though they have provided a signed approval on the invoice and have only asked for our assistance in entering the claim for payment. Going forward we will train the departments to enter their own claims.

Sincerely,

Luann Welmer
City Clerk Treasurer

SEE OFFICIAL RESPONSE



August 6, 2012

The following corrective action is planned for the Columbus Municipal Airport regarding a finding by the State Board of Accounts as outlined below:

Segregation of Duties – Aviation Commission: Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

The Office Manager is currently working with employees of the City Clerk-Treasurer's office to establish receipt procedures to ensure that all receipt practices are in compliance with the Accounting and Uniform Compliance Guidelines Manual for Cities and Towns. In addition, the Airport Director and Board of Aviation Commission will continue to work on developing procedures for the oversight of the airport revenues.

R.R. Blasdel, Director
Columbus Municipal Airport

Nina Latimer, Office Manager
Columbus Municipal Airport



August 1, 2012

The following corrective action is planned for the Columbus Municipal Airport regarding a finding by the State Board of Accounts as outlined below:

FINDING 2011-2. INTERNAL CONTROLS AND COMPLIANCE RELATED TO CASH MANAGEMENT

Federal Agency: U.S. DEPARTMENT OF TRANSPORTATION
Federal Program: Airport Improvement Program
CFDA Number: 20.106
Federal Award Number: AIP 3-18-0012-2209

Contact Person: Rod Blasdel
Contact Information: 812-376-2530

Anticipated Completion Date: September 1, 2012

Corrective Action: We plan to establish reasonable procedures to ensure advances, by letter-of-credit or electronic transfer of funds, are drawn down as close as possible to the time of making disbursements. Specifically, we will monitor cash drawdowns to assure that they conform substantially to the same standard of timing and amount as apply to advances received.

R.R. Blasdel, Director
Columbus Municipal Airport



City of Columbus
Office of City Engineer

August 13, 2012
Corrective Action Plan

FINDING 2011-3. Internal Controls related to Allowable Costs, Cash Management, Period of Availability, Matching, and Special Tests and Provisions; Compliance related to Special Tests and Provisions.

Federal Agency: U.S. DEPARTMENT OF TRANSPORTATION
Federal Program: Highway Planning and Construction Cluster
CFDA Number: 20.205
Federal Award Number: DES #0500875; 0500876; 9506290
Pass-Through Entity: Indiana Department of Transportation

Contact Person: David L. Hayward, P.E.
Contact Information: City Engineer
123 Washington Street
Columbus, IN 47201

Corrective Action:

The City of Columbus was not aware that an invoice had to be paid before an LPA Invoice-Voucher could be submitted. The invoices were processed on Friday and checks were mailed no later than Wednesday. The LPA Invoice-Voucher was processed the same day and emailed to INDOT. We have never received reimbursement from INDOT in 3 working days.

The City of Columbus was unaware of the requirement to account separately for the ARRA funds. There was no breakdown of ARRA fund reimbursement and Federal reimbursement. When the City began receiving reimbursement via EFT, we stopped receiving the LPA Invoice-Voucher with INDOT's notes (including corrections to the amounts the city claimed).

In the future, all road construction projects that are a shared effort between the City of Columbus and INDOT will be carefully examined to make sure that proper accounting standards are initiated and carried out. These standards will insure that all financial reporting be done in an accurate and current manner. The proper accounting records will show:

Name of Project	Invoice Number and Amount
Federal Participation	Claim Number
Date of Notice to Proceed issued by INDOT	Service Dates
Date of Notice to Proceed issued by City of Columbus	Federal Share Reimbursable
Contract and Purchase Order Amount	Balance of INDOT Purchase Order



David L. Hayward, P.E.
City Engineer



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Transit Department

CORRECTIVE ACTION PLAN

FINDING 2011-4. INTERNAL CONTROLS AND COMPLIANCE RELATED TO REPORTING

Federal Agency: U.S. Department of Transportation
Federal Program: Federal Transit Cluster
CFDA Number: 20.507
Federal Award Number: IN-90-X616-00 FY 2011

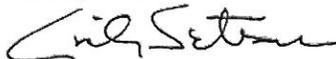
Contact Person: Cindy Setser

Contact Information: 850 Lindsey Street
Columbus, IN 47201
Phone: 812-376-2506
Fax: 812-376-2507
csetser@columbus.in.gov

Corrective Action:

Corrective action has been taken to make the corrections on the financial reporting. We are in the process of reviewing the instructions for the financial reports and will create a spreadsheet to document the information requested in order to stay in compliance. A Transit Checklist has been created for Applications, Reports and Steps that will be used as part of our controls.

Cindy Setser



Transit Coordinator

CITY OF COLUMBUS
EXIT CONFERENCE

The contents of this report were discussed on August 8, 2012, with Luann Welmer, Clerk-Treasurer; Pam Harrell, Chief Deputy Clerk-Treasurer; Kelly Benjamin, City Attorney; James Lienhoop, President of the Common Council; and Kristen Brown, Mayor. The Official Response has been made a part of this report and may be found on pages 74 and 75.

The contents of this report were discussed on August 13, 2012, with Brenda Sullivan, former Clerk-Treasurer; and Fred L. Armstrong, former Mayor. The Official Response has been made a part of this report and may be found on pages 76 through 79.



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Luann G. Welmer, Clerk-Treasurer

September 4, 2012

OFFICIAL RESPONSE to Finding 2011-1 Internal Controls

To Whom This May Concern:

As a newly elected Clerk Treasurer taking the oath of office on January 1, 2012, the record demonstrates that the internal control procedures for the following findings have been in place for over a decade. As such, the procedures followed by the office during the audit period (January 1, 2011 through December 31, 2011), were never in question during the audits conducted by the State Board of Accounts from 2004 through December 31, 2011.

As a City, we follow the State Board of Accounts Accounting Manual for internal controls. The Clerk Treasurer's Office currently has a total of six employees; one individual handles the receipts, one person manages payables, a payroll clerk, one person whose duties include bank transfers, a person who reconciles all bank statements, and the Clerk Treasurer who supervises the office and sets applicable policy. All employees are cross-trained to perform the duties of all positions. The internal control policies set forth by the Clerk Treasurer's Office many years ago have **never** been an issue and have **never** even been discussed or commented upon during the annual audits. Had suggestions or comments on how to modify internal control procedures been made during prior audits, a corrective plan would have been put into place. The findings in this report reflect no improper conduct on the part of the previous Clerk Treasurer or staff. However, in the spirit of continuing improvement, a corrective action plan has been filed with the State Board of Accounts.

Gifted Funds:

See response from Fred L. Armstrong dated August 16, 2012.

Annual Report:

It was necessary for the Annual Report to be modified in 2012 due to the fact that the new Clerk Treasurer and her staff had no knowledge of the Economic Development Revenue Bonds, Series 2009. The earlier payments were made with capitalized interest, which is the reason they were not on the 2009 and 2010 reports.

Internal Controls – Sale of Recycled Oil and Other City Materials:

The Clerk Treasurer's Office had no knowledge of the Fire Department receiving money for used oil, no knowledge that said money was being placed in a coke fund, and no knowledge that used oil had a monetary value since no money had ever been receipted into the Clerk's Treasurer's Office for such city property. Again, there was no improper conduct on behalf of the Clerk Treasurer's Office. In the future a revenue line has been set up to book this revenue into the general fund.

Sincerely,

Luann Welmer

City Clerk Treasurer



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Kristen Brown, Mayor

August 23, 2012

Response to Internal Controls – Sale of Recycled Oil and Other City Materials Finding

As stated in the Finding referenced above, upon learning of the current disposal and payment process, the City's new administration immediately conducted an internal investigation regarding the procedure in place. In fact, after the investigation, the City brought this matter forward to the State Board of Accounts during its audit process. After thoroughly conducting the investigation, the City and the fire department took immediate steps to stop the current practice and put into place appropriate receipt and deposit procedures.

While the City is still developing its formal, written internal policy and procedure, it has ensured that payments from outside vendors for recycled oil and scrap metal are done so via check and made out to the City. Where possible, the vendor tenders only a receipt to the City employee, and then mails payment directly to the Clerk-Treasurer's office. However, there is one vendor whose only available practice is to issue payment to the City at the time they pick up the recycled oil (they are not set up to issue a receipt and mail payment at a later date). That vendor is aware that they must issue payment via check made out to only the City, and then the City employees are aware that the payment must be delivered to the Clerk-Treasurer's office that day.

Kristen S. Brown

This is in response to the State Board of Accounts findings related to "Gifted Funds". The finding relates to the Columbus City Council approving the granting of One Million Dollars. to the Columbus Education Coalition. from the Rainy Day Fund, as part of the package to secure 600 high paying technology related jobs to downtown Columbus.

The finding states: "Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute". (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

The finding makes no references to any statute that prohibits the issuing of grants by a city to further its purposes and in fact entities created by the city such as the Redevelopment Commission and Community Development are regularly providing grants to businesses and not for profit entities to further the cities goals of economic development.

36-1-3-4 Rule of law; powers of unit;

Sec. 4. (a) The rule of law that a unit has only:

- (1) powers expressly granted by statute;
 - (2) powers necessarily or fairly implied in or incident to powers expressly granted; and
 - (3) powers indispensable to the declared purposes of the unit;
- is abrogated.

(b) A unit has:

- (1) all powers granted it by statute; and
- (2) all other powers necessary or desirable in the conduct of its affairs, even though not granted by statute.

(c) The powers that units have under subsection:

(b) (1) are listed in various statutes. However, these statutes do not list the powers that units have under subsection

(b) (2); therefore, the omission of a power from such a list does not imply that units lack that power.

36-1-3-5 Powers of unit; exercise; township exception;

Sec. 5. (a) Except as provided in subsection (b), a unit may exercise any power it has to the extent that the power:

- (1) is not expressly denied by the Indiana Constitution or by statute; and
- (2) is not expressly granted to another entity.

(b) A township may not exercise power the township has if another unit in which all or part of the township is located exercises that same power.

36-1-3-6 Specific manner for exercising a power; constitutional or statutory provision; ordinance; resolution;

Sec. 6. (a) If there is a constitutional or statutory provision requiring a specific manner for exercising a power, a unit wanting to exercise the power must do so in that manner.

(b) If there is no constitutional or statutory provision requiring a specific manner for exercising a power, a unit wanting to exercise the power must either:

(1) if the unit is a county or municipality, adopt an ordinance prescribing a specific manner for exercising the power;

(2) if the unit is a township, adopt a resolution prescribing a specific manner for exercising the power; or

(3) comply with a statutory provision permitting a specific manner for exercising the power.

(c) An ordinance under subsection (b)(1) must be adopted as follows:

(1) In a municipality, by the legislative body of the municipality.

(2) In a county subject to IC 36-2-3.5 or IC 36-3-1, by the legislative body of the county.

(3) In any other county, by the executive of the county.

(d) A resolution under subsection (b)(2) must be adopted by the legislative body of the township.

36-1-3-7 Review or regulation of exercise of power by a unit;

Sec. 7. State and local agencies may review or regulate the exercise of powers by a unit only to the extent prescribed by statute.

36-1-3-8 Powers specifically withheld;

Sec. 8. (a) Subject to subsection (b), a unit does not have the following:

- (1) The power to condition or limit its civil liability, except as expressly granted by statute.
- (2) The power to prescribe the law governing civil actions between private persons.
- (3) The power to impose duties on another political subdivision, except as expressly granted by statute.
- (4) The power to impose a tax, except as expressly granted by statute.
- (5) The power to impose a license fee greater than that reasonably related to the administrative cost of exercising a regulatory power.
- (6) The power to impose a service charge or user fee greater than that reasonably related to reasonable and just rates and charges for services.
- (7) The power to regulate conduct that is regulated by a state agency, except as expressly granted by statute.
- (8) The power to prescribe a penalty for conduct constituting a crime or infraction under statute.
- (9) The power to prescribe a penalty of imprisonment for an ordinance violation.
- (10) The power to prescribe a penalty of a fine as follows:
 - (A) More than ten thousand dollars (\$10,000) for the violation of an ordinance or a regulation concerning air emissions adopted by a county that has received approval to establish an air program under IC 13-17-12-6.
 - (B) More than two thousand five hundred dollars (\$2,500) for any other ordinance violation.
- (11) The power to invest money, except as expressly granted by statute.
- (12) The power to order or conduct an election, except as expressly granted by statute.

(b) A township does not have the following, except as expressly granted by statute:

- (1) The power to require a license or impose a license fee.
- (2) The power to impose a service charge or user fee.
- (3) The power to prescribe a penalty.

There is no prohibition preventing the Columbus City Council from appropriating money to grant to the Columbus Education Coalition to support the cities economic development goals; and in fact, it was a decision that was supported by Governor Daniels to create the conditions and environment to allow for economic growth and the addition of 600 additional high paying jobs. The success of the investment in the community is self evident.

There is no legal basis for the finding relating to the grant of funds to the Columbus Education Coalition and the finding should be removed, deleted and corrected.

 8-16-12